



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION

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September 20, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Toni Loper, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF CONVENIENT VENTURES, LLC D/B/A ENERGYOBJECTIVE FOR A CERTIFICATE TO PROVIDE ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED MAY 4, 2016; FILED AUGUST 30, 2016) - PSC DOCKET No. 16-0629

Background

On August 25, 2016, Convenient Ventures, LLC d/b/a EnergyObjective ("Convenient Ventures" or the "Company") filed an application (the "Application") with the Delaware Public Service Commission ("Commission") for an Electric Supplier Certificate ("ESC") to act as a Broker in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the "Act") and 26 *Del. Admin. C.* §3001, the Commission's Rules for Certification and Regulation of Electric Suppliers (the "Supplier Rules").¹

Application

The Company's original filing was submitted on May 4, 2016, but the submitted Application did not meet the minimum filing requirements ("MFR's"). Staff requested the Company file the following additional documentation: a) a copy of the Delaware business license, b) a copy of the Certificate of Good Standing issued by the Delaware Secretary of State, c) a detailed corporate structure, d) professional resumes for each principal officer responsible for Delaware operations, e) documentation of the registration of fictitious name in Kent and Sussex County, and f) a signed, sworn verification letter for any subsequent filings in support of the Application, as required. The Company filed the documents requested by Staff on August 25, 2016; this documentation addressed all deficiencies and satisfied the MFR's.

Additionally, in response to a Staff request for additional information the Applicant filed a detailed organizational chart which indicated that the Applicant is a water and coffee delivery company, the Applicant supplied additional information which clarified that the Applicants parent company

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

endeavored to expand operations under an independent energy broker company under the parent name it chose to use an existing entity in Convenient Ventures.²

Review and Analysis

Authority to do Business in Delaware

The Company is a limited liability company formed under the laws of the State of Pennsylvania and has provided proof issued by the Delaware Secretary of State and the Delaware Department of Revenue that it is legally authorized and qualified to do business in the State of Delaware.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the Application as CT Corporation, Wilmington, DE.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company confidentially filed the independently audited financial statements of the parent company, The Shipley Companies, as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules.³ Staff believes that these financial documents show substantial evidence of the Applicant's ability to provide services as a Broker in the State of Delaware.

The Company anticipates acting as a Broker serving residential, small commercial, large commercial and industrial customers for the sale or purchase of electricity within New Castle County in the State of Delaware. The Application states that the Company currently offers service in Maryland, New Jersey, Ohio, and Pennsylvania, and had no pending applications in any other state at the time of the filing. Staff has confirmed that the Company is licensed in those states. The Application states that the Company has not been denied approval nor had its authority revoked by any state commission. Staff believes that this information shows substantial evidence of the Applicant's operational and technical ability to provide services as a Broker in the State of Delaware.

The Application included a summary of the key operating personnel of the Company. Mr. Stephen Passio, President, has more than 3 years' experience in the energy industry where his responsibilities included the management of all activities related to the purchase, sale, pricing, transportation and risk management of branded and unbranded wholesale fuels, including natural gas and electricity for the Applicants parent company Shipley Energy. Mr. Passio's previous work history includes several management level positions where some of his responsibilities included management of day-to-day operations including pricing, supply, forecasting, administration and field support for an oil and gas company, as well as providing training for pricing personnel, risk management, building regional performance plans, recruitment. Mr. Timothy Booth, General Manager, has over 2 years' experience as a manager with EnergyObjective and Shipley Energy. His responsibilities include supervision of employees responsible for pricing, retention, and customer service, critical pipeline and utility

² Shipley Group is a natural gas and electricity supplier registered in several states but the company is not licensed in Delaware.

³ 26 Del. Admin. C. § 1001- 1.11.3 of the Rules of Practice and Procedure of the Delaware Public Service Commission requires the party seeking proprietary treatment shall submit for filing one copy of the document without the confidential information, Convenient Ventures filed the required redacted copy of the financial statements and attestation.

scheduling for a natural gas division, leadership of the fraud and quality assurance departments. Mr. Booths previous work experience also included management level duties as well as sales experience. The Company also provided detailed resumes for other key operating personnel in support of their Application. Staff performed an internet review of the Company and its key operating personnel. The search did not reveal any issues. Staff believes that this information shows substantial evidence of the Applicant's operational, managerial, and technical ability to provide services as a Broker in the State of Delaware.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The Application and subsequent filings were verified in signed, sworn verification letters by Mr. Matt Sommer, President, Shipley Group, which is the parent of the Applicant.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company also did not provide any sample contracts for small commercial customers because it is a Broker only and does not and will not have contracts with Retail Electric Customers to provide Electric Supply Service.

Statement of Criminal Activity

The Applicant stated in the Application that they have not been charged or convicted of any criminal activity nor have any of its principals or corporate officers. The Applicant has no affiliated interests. An internet review of the Company and its principals revealed no outstanding issues.

Legal Review

On September 20, 2016, following Staff's completed review and analysis of the Application, Staff forwarded its final analysis to the assigned attorney to confirm that all required documentation requested and received from the Company was in compliance with Delaware law and the Supplier Rules and Regulations.

Staff Recommendation

Based on Staff's review of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The Company resolved all outstanding issues with Staff and the completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.